



Senate

General Assembly

File No. 863

January Session, 2015

Senate Resolution No. 36

Senate, May 19, 2015

The Senate Committee on Appropriations reported through SEN. BYE of the 5th Dist., Chairperson of the Committee on the part of the Senate, that the resolution ought to be adopted.

**RESOLUTION PROPOSING APPROVAL OF AN AGREEMENT
BETWEEN THE STATE OF CONNECTICUT AND THE STATE
EMPLOYEES BARGAINING AGENT COALITION (SEBAC).**

Resolved by the Senate:

- 1 That the agreement between the State of Connecticut and the State
- 2 Employees Bargaining Agent Coalition (SEBAC), concerning the
- 3 purchase of hazardous duty service credit in the state employees
- 4 retirement system for the Judicial Marshal Classification Series,
- 5 submitted to this assembly for approval April 29, 2015, as provided in
- 6 subsection (b) of section 5-278 of the general statutes, is approved.

APP *Senate Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 16 \$	FY 17 \$	FY 18 \$
State Comptroller - Fringe Benefits (State Employee Retirement Contribution Account)	GF - Cost	340,000	340,000	340,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The resolution results in an estimated cost of \$340,000 annually, starting in FY 16.¹ However, increased costs to the State Employees' Retirement System (SERS) attributable to the agreement will not be recognized in the state's actuarially determined employer contribution (ADEC) until FY 18, as the FY 16 and FY 17 ADEC are set based on the June 30, 2014 actuarial valuation. The estimated annual fiscal impact reflects the total estimated increase in liability, amortized over the remaining amortization period, or 17 years (as of June 30, 2014).

Member Overview – There are estimated to be 246 members eligible to purchase up to three years of service credit.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future and be reflected in future SERS actuarial valuations.

¹ Source: Actuarial Impact Study. Cavanaugh Macdonald, February 12, 2013.

OFA Bill Analysis**SR 36*****RESOLUTION PROPOSING APPROVAL OF AN AGREEMENT
BETWEEN THE STATE OF CONNECTICUT AND THE STATE
EMPLOYEES BARGAINING AGENT COALITION (SEBAC).*****SUMMARY:**

The agreement allows Judicial Marshals to purchase up to three years of past service credit for years prior to 1999, as long as the individual served as a Special Deputy Sheriff² for the state for at least one year prior to July 1, 1999. The agreement requires the employee to make all applicable employee contributions based upon their retirement tier and current salary. Eligible members are in Tier II or Tier IIA of the State Employees' Retirement System (SERS). The current employee contribution rate for hazardous duty SERS employees is 4% and 5% of salary respectively. The purchased service will count towards the amount of the individual's benefit and not to years of service for the purposes of eligibility (SEE BACKGROUND).

BACKGROUND:

The benefit formula utilizes years of service as a component of the benefit calculation (provided on the following page).

²Based on legislative changes enacted in 2000, the Judicial Department must employ judicial marshals for prisoner transport and custody and courthouse security. All special deputy sheriffs performing these functions were allowed to continue their service as Judicial Department employees. The department is required to recognize the bargaining unit of special deputy sheriffs for collective bargaining with the judicial marshals. (OLR Report 2000-R-0534)

Tier II and Tier IIA Hazardous Duty Benefit Formula¹:

50% (.50) for 20 years hazardous duty service	X	Average Salary
PLUS		
2% (.02) X all service over 20 years (which could include service for state jobs not classified as hazardous duty as well as other credited service)	X	Average Salary

¹Source: Office of the State Comptroller

<http://www.osc.ct.gov/empret/tier2summ/tier2summ.htm> and
<http://www.osc.ct.gov/empret/tier2asumm/tier2asumm.htm>

For example:

Employee retirees with 23 years of hazardous duty service with an average salary of \$48,000.

.50 (for the first 20 years)	X	\$48,000 = \$24,000
PLUS		
.02 X 3 (number of years over 20)	X	\$48,000 = \$2,880
TOTAL ANNUAL BENEFIT	=	\$26,880

¹Source: Office of the State Comptroller

<http://www.osc.ct.gov/empret/tier2summ/tier2summ.htm> and
<http://www.osc.ct.gov/empret/tier2asumm/tier2asumm.htm>

Under the terms of this agreement the above formula is not altered. The employee may purchase up to 3 years of service for the purposes of calculating the pension benefit only. Therefore any purchased time will be factored into the benefit formula at a rate of 20%.

EFFECTIVE DATE: Upon Passage

COMMITTEE ACTION

Appropriations Committee

Senate Favorable

Yea 10 Nay 2 (05/11/2015)